

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Petition of AT&T Inc. for Forbearance)	WC Docket No. 07-139
Under 47 U.S.C. § 160(c) from)	
Enforcement of Certain of the)	
Commission's ARMIS Reporting)	
Requirements)	

**Comments of the
Communications Workers of America**

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The Communications Workers of America (“CWA”) submits these comments in response to the Commission’s Public Notice seeking comment on AT&T’s Petition seeking forbearance from enforcement of certain ARMIS reporting requirements (“FCC Notice”).¹ AT&T requests forbearance from Commission rules that require AT&T’s ILEC affiliates to file ARMIS Reports 43-05 (Service Quality Report), 43-06 (Customer Satisfaction Report), 43-07 (Infrastructure Report), and 43-08 (Operating Data Report) (“AT&T Petition”).²

CWA urges the Commission to deny the AT&T Petition on both procedural and substantive grounds. As a procedural matter, any changes in ARMIS reporting requirements should not be handled through a forbearance petition. All local exchange carriers (ILECs) subject to price cap regulation – including AT&T, Verizon, Qwest, Windstream, Citizens, Embarq, CenturyTel, Cincinnati Bell, and Iowa Telecom – must file ARMIS reports 43-05, 43-06, and 43-08. AT&T, Verizon, and Qwest must file report 43-07. There is no justifiable rationale, nor does AT&T provide any, for selective exemption from ARMIS reporting requirements. Therefore, the Commission should deny the AT&T Petition on this basis alone.

Moreover, there are compelling substantive reasons for the Commission to continue to require filing of service quality and customer satisfaction

¹ Federal Communications Commission, Pleading Cycle Established for A&T Inc. Petition on Behalf of Its Incumbent LEC Affiliates Seeking Forbearance from Enforcement of Certain ARMIS Reporting Requirements, WC Docket No. 07-139, July 20, 2007 (rel) (FCC Notice).

reports (reports 43-06 and 43-07, collectively “service quality reports”) to protect consumers and serve the public interest. First, as the Commission itself has acknowledged, even in a competitive environment, public disclosure of service quality information is an important consumer safeguard. Free markets function best when consumers have access to comprehensive information about the goods and services they are purchasing, including the quality of service provided. Second, the evidence demonstrates – contrary to AT&T’s assertion -- that today’s competitive conditions have not resulted in “constantly improving service quality” for all consumers. The FCC’s most recent service quality report indicates a disturbing increase in repair intervals by the largest carriers, and state commissions continue to cite carriers for serious deterioration of service. Third, the Commission’s service quality reports continue to provide the Commission, state regulators, carriers, and consumer and public interest organizations (including CWA) with a uniform, cost-efficient framework for data reporting that allows comparison over time and between companies and states.

Because there is simply no alternative to the ARMIS service quality data, the Commission should deny AT&T’s Petition which would cause irreparable harm to consumers. At the same time, CWA strongly concurs with AT&T that service quality data reporting required of incumbent LECs should also be required of all voice carriers, including competitive local exchange

² AT&T Inc. Petition for Forbearance, In the Matter of Petition of A&T Inc. for Forbearance Under 47 U.S.C. § 160 (c) from Enforcement of Certain of the Commission’s ARMIS Reporting

carriers (CLECs), wireless, cable telephony, and Voice over Internet Protocol (VoIP) providers.

In these comments, CWA focuses on the continuing need for the ARMIS service quality reports. AT&T has also requested forbearance from what it claims are outdated infrastructure and operating data reporting requirements (Reports 43-07 and 43-08), and recommends that the Commission move forward expeditiously with its longstanding proposal to require reporting of network infrastructure information on a comprehensive basis from *all* facilities-based carriers in Form 477.³ While CWA reserves judgment as to whether Form 477 reporting requirements would replace all the relevant infrastructure and operating data required under current ARMIS rules, CWA sees substantial merit in the proposal to require the reporting of network infrastructure and operating data from *all* facilities-based carriers. Should the Commission move forward with such a proposal, CWA recommends that, in addition to any more granular reporting such as contained in current proposals for broadband data, the Commission continue to require carriers to report data at the operating company level and by states. CWA has found this particularly useful in reviewing data for state regulatory proceedings. Further, CWA has found the Commission's web-based query forms for the ARMIS data especially useful and easy to use, and urges the Commission to

Requirements, WC Docket No. 07-139, June 8, 2007 ("AT&T Petition").

³ *Id.* 13-20.

maintain and expand upon such user-friendly web-based means to query the data that it collects.

CWA has an abiding interest in continued ARMIS reporting.⁴ CWA represents 700,000 workers, the majority of whom work in telecommunications. CWA-represented telecommunications workers want to provide quality services to customers and see ARMIS data as an important source of information that will hold their employers and all telecommunications carriers accountable. Typically, members will provide anecdotal evidence about service quality problems at their telecommunications employer. CWA researchers then utilize various data sources to determine whether the reports are idiosyncratic or form part of a larger problem. The data provided to the Commission has formed a rich and rewarding source of information to inform our members and the public about important trends in the industry. In addition, CWA members and their families are consumers who require the very services their fellow workers supply.

AT&T has failed to prove that competitive market conditions render public disclosure of service quality information obsolete. As the Commission itself noted when it last considered revisions to its service

⁴ CWA filed comments in the Commission's 2001 review of service quality reporting requirements. See CWA Comments, *In the Matter of 2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements*, Notice of Proposed Rulemaking, CC Docket No. 00-229, Jan. 12, 2001 ("ARMIS 43-05 and 43-06 NPRM").

quality reporting rules, public disclosure of service quality data plays an important role even in a competitive environment.

“We believe that even in a robustly competitive environment, public disclosure of quality of service information can be an important way to safeguard consumer interests. We are committed to maintaining and, when possible, improving the traditionally high level of service quality enjoyed by American consumers...”⁵

“As we have recognized in our other recent consumer protection proceedings, the effective functioning of competitive markets is predicated on consumers having access (whether mandated access or access that arises voluntarily) to accurate, meaningful information, in a format they can understand.”⁶

“Information about service quality, like price, can and does have an effect on consumer purchasing decisions. Moreover, as we move into an era of multiple service providers and long-term service contracts, public availability of service quality information serves important consumer protection functions.”⁷

“In various contexts, we have recognized the importance of information for a market to function efficiently. If consumers receive only limited information, the market will not function efficiently and consumers likely will not receive the quality they prefer. We hope to facilitate market efficiency by ensuring that consumers have the information they need to make informed buying decisions.”⁸

State regulators agree. In comments filed in the aforementioned proceeding, numerous state Commissions, the National Association of Regulatory Commissioners (“NARUC”), and the federal government’s General Services Administration (GSA) all supported the Commission’s ARMIS service

⁵ ARMIS 43-05 and 43-06 NPRM, 6.

⁶ *Id.*, 11.

⁷ *Id.*

⁸ *Id.*, 45.

quality reporting program.⁹ As a result, the Commission abandoned any proposals to dilute ARMIS service quality reporting requirements.

In their comments to the Commission at that time, state regulators emphasized that service quality reporting serves an essential public interest function, even in a competitive marketplace. “Even in a robustly competitive environment,” the Michigan Commission wrote, “public disclosure of quality service information can be an important way to safeguard consumer interests.”¹⁰ The Indiana Commission echoed these sentiments: “These requirements make more sense in today’s market than ever before. We must be vigilant to ensure that deregulation does not cause service quality to deteriorate.”¹¹ The GSA – a purchaser of tens of billions of dollars in telecommunications services -- told the Commission that “competition does not diminish the need for timely information on the quality of local exchange services. Consumers need information to compare services offered by

⁹ In addition to NARUC and the GSA, state regulatory authorities from Maryland, Michigan, Wyoming, Indiana, Ohio, Texas, Illinois, Wisconsin, and Florida submitted comments in the support of continued FCC ARMIS service quality reporting, and no state commissions submitted comments that favored elimination of the service quality reporting requirements. See various comments and reply comments, *In the Matter of 2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements*, Notice of Proposed Rulemaking, CC Docket No. 00-229.

¹⁰ Michigan Public Service Commission Comments on the Notice of Proposed Rulemaking, *In the Matter of 2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements*, CC Docket No. 00-229, Jan. 12, 2001, 2 (“Michigan Comments”).

¹¹ Comments of Indiana Utility Regulatory Commission on the Notice of Proposed Rulemaking, *In the Matter of 2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements*, CC Docket No. 00-229, Jan. 12, 2001, 2 (“Indiana Comments”).

competing carriers.”¹² This economic theory – that markets can only function efficiently when comprehensive information is readily available to consumers – remains as true today as it was seven years ago.

State regulators also told the FCC that they relied heavily on the ARMIS reports to monitor service quality in their respective states, and to make comparisons with other states. At the time of the 2001 proceeding, the Michigan and Indiana Commissions reported “dramatic degradation” in the quality of service provided by their incumbent telephone companies.¹³ “The reports have provided invaluable support in service quality proceedings in our states. These reports have not only allowed us to monitor our state but also compare our performance to that of other states in a meaningful way,” the Michigan Commission reported. The Michigan Commission noted that it would continue to rely on the ARMIS service quality reports to evaluate ongoing progress.¹⁴ The Tennessee Regulatory Authority reported that it had recently used the ARMIS data in a service quality proceeding, and found the FCC’s information an important cross check against data submitted on the

¹² Comments of the General Services Administration, *In the Matter of 2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements*, CC Docket No. 00-229, Jan. 12, 2001, 2 (“GSA Comments”).

¹³ In addition to the Ameritech companies, U S West, Bell Atlantic, and Sprint’s local telephone companies experienced serious service quality problems during the 1990s. For example, see Communications Workers of America (CWA), *Service Quality Problems at Sprint’s Local Telephone Operations in North Carolina* (1999), *Service Quality Continues to Deteriorate at US West Communications* (1998) and *Service Quality Problems at Bell Atlantic* (1995) AT&T simply ignores the evidence when it erroneously states that “the Commission’s predictive judgments in 1990 that incentive regulation would increase service quality and spur investment in infrastructure consistently have proven correct year after year.” AT&T Petition, 5.

¹⁴ Michigan Comments, 1.

state level.¹⁵ The Texas and Ohio Commissions, among others, stated that the ARMIS data allowed them to compare performance in their respective state with that in other states.¹⁶ “The national monitoring ‘floor’” in the ARMIS service quality reports, the Michigan Commission wrote, “represents a uniform framework that can serve to minimize overall burdens associated with reporting the information and at the same time provide an efficient method of data collection that serves the interests of the carriers, consumers, and state and federal regulators alike.”¹⁷

There continues to be a need for regulators to monitor service quality. AT&T erroneously asserts, that “all providers in today’s robustly competitive marketplace are forced by competition to constantly improve service quality.”¹⁸ To the contrary, some providers have responded to growing competition in local telecommunications markets by directing capital and human resources precisely to those markets where competition is most intense – the market for high-end business and residential customers. At the same time, these same providers are neglecting customers that generate less revenue and where there is little if any competitive choice. In these latter

¹⁵ Initial Comments of the National Association of Regulatory Utility Commissioners, *In the Matter of 2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements*, CC Docket No. 00-229, Jan. 12, 2001, 3 (“NARUC Comments”).

¹⁶ Comments of the Public Utility Commission of Texas, *In the Matter of 2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements*, CC Docket No. 00-229, Jan. 12, 2001, 1 (“Texas Comments”); Comments of the Public Utility Commission of Ohio, *In the Matter of 2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements*, CC Docket No. 00-229, Jan. 12, 2001, 11 (“PUCO Comments”).

¹⁷ Michigan Comments, 2.

¹⁸ AT&T Petition, 10.

markets and for these customers, market forces alone do not provide sufficient discipline over price and service.

The Commission's most recent analysis of ARMIS service quality data reveals a number of disturbing trends. Although AT&T claims the report paints a rosy picture, in fact the study notes that a key indicator – average length of repair intervals – “is now at the highest level in the six-year period (2000 – 2005) covered by this report.” The length of repair intervals increased on average 5.1 percent per year since 2000. In addition, a more detailed analysis would show significant decline by individual companies on a variety of measures.¹⁹

As further evidence, we need look no further than recent state regulatory commission action in Maryland and Virginia. On June 11, 2007, the Virginia Corporation Commission opened a proceeding to investigate Verizon's failure to meet required service quality standards. According to the Commission staff, beginning in the May/June 2006 time frame, Verizon's performance in clearing out-of-service trouble reports failed to meet Commission requirements that no less than 80 percent be cleared within 24 hours and no less than 95 percent be cleared within 48 hours. Customers were complaining of repair intervals of one to two weeks. A continuing review of Verizon's extended repair interval problems led Staff to request a corrective action plan. Verizon filed such a plan on October 13, 2006. The company failed

¹⁹ FCC, Industry Analysis and Technology Division, Wireline Competition Bureau, “Quality of Service of Incumbent Local Exchange Carriers,” Feb. 2007, 2-3.

to comply with its corrective plan, and on May 1, 2007, requested a modification to the plan. The Commission Staff did not agree, and in June 2007 the Commission itself opened a proceeding into the matter.²⁰

CWA submitted public comments in the aforementioned case, as well as in an ongoing deregulation proceeding before the Virginia Corporation Commission. CWA comments in both instances were based on a survey of CWA-represented frontline employees concerning the quality of service provided to Verizon customers in Virginia. In the deregulation case, CWA supplemented the survey information with data obtained from the FCC's ARMIS service quality report 43-05. Using the ARMIS data, CWA was able to demonstrate that between 2000 and 2006, Verizon's out-of-service repair intervals in Virginia increased 51 percent and complaints per 1 million lines were up 73 percent.²¹ Without the ARMIS data, CWA would not have been able to provide statistically verifiable evidence to supplement the many stories reported by frontline CWA technicians and customer service employees. Similarly, the ARMIS data can be used by the Virginia Corporation Commission to cross-check the confidential data that Verizon provides to the state regulatory authority.

²⁰ Virginia Corporation Commission, "SCC Grants 'Rule To Show Cause' Regarding Verizon Out-Of-Service Trouble Reports," June 11, 2007 available at http://www.scc.virginia.gov/news/c_vvshow_07.htm. See also Motion for Rule to Show Cause, Commonwealth of Virginia, ex rel. State Corporation Commission v. Verizon Virginia Inc. and Verizon South Inc., Case No. PUC-2007-00040, May 10, 2007.

²¹ Public Comments of the Communications Workers of America, Application of Verizon Virginia Inc. and Verizon South Inc. for a Determination that Retail Services Are Competitive and Detariffing of the Same, Case No. PUC-2007-00008, April 20, 2007, Appendix.

Virginia is not the only state in which state regulators have expressed concern about Verizon's skyrocketing repair intervals. In August 2007, the Maryland Public Service Commission grilled Verizon over delays in repairs and escalating consumer complaints. The Commission ordered Verizon to explain why technicians missed over 20 percent of scheduled repair appointments since February 2007, and why the state Commission fielded over 300 complaints that year about missed appointments and outages lasting a week and longer.²² Certainly, FCC ARMIS data can provide invaluable information to Maryland regulators, not only as a check against the accuracy of Verizon-supplied state data, but also to assess changes over time and to compare with Verizon's performance in other states.

The FCC and state regulatory commissions in New Hampshire, Maine, and Vermont are currently reviewing the proposed sale by Verizon of its 1.5 million access lines in those states to Fairpoint Communications, Inc.

("Fairpoint"). In those proceedings, CWA in joint comments filed with the International Brotherhood of Electrical Workers (IBEW) raised serious concerns about the financial, operational, and managerial capability of Fairpoint to provide quality service to customers, particularly given the fact that Fairpoint would inherit a legacy of service quality problems from Verizon.

As evidence, CWA/IBEW reviewed the FCC ARMIS service quality data,

²² Maryland Public Service Commission, In the Matter of The Commission's Investigation Into Verizon Maryland Inc.'s Service Performance And Service Quality Standards, Order Initiating Proceeding to Show Cause and to Produce Documents and Evidence, Order No.

which it entered as testimony in each proceeding to indicate Verizon's dismal performance in all three states.²³

Clearly, the FCC ARMIS service quality data is not "outmoded," nor has it outlived its usefulness. CWA, state regulators, and other parties rely upon this information for many benchmarking and monitoring purposes. There is simply no comparable national data source. Not all states collect the data in the ARMIS reports, and all too many states do not make the data they do collect publicly available. As a standardized, national data set, the ARMIS mechanism minimizes cost to carriers, while providing useful information for comparison across time, companies, and states. In fact, AT&T has provided no studies or other documentation that would demonstrate that ARMIS service quality reporting requirements are overly burdensome, nor is CWA aware of any such studies.

The Commission has created a consumer-friendly interface on the worldwide web to allow consumers, public interest groups, state regulators,

81546, Case No. 9114, Aug. 3, 2007; Lisa Rein, "Maryland Panel Grills Verizon Over Delays in Repairs," *Washington Post*, August 9, 2007.

²³ Before the Federal Communications Commission, CWA/IBEW Petition to Deny, In the Matter of Application for Transfer of Certain Verizon Spectrum Licenses in Maine, New Hampshire, and Vermont to Fairpoint, WC Docket No. 07-22, April 27, 2007; Before the Vermont Public Service Board, Direct Testimony of Kenneth R. Peres, PhD on behalf of CWA/IBEW, Docket 7270, Joint Petition of Verizon New England d/b/a Verizon Vermont, Certain Affiliates Thereof, and Fairpoint Communications Inc. for approval of an asset transfer, acquisition of control by merger and associated transactions, Aug. 10, 2007; Before the State of New Hampshire Public Utilities Commission, Direct Testimony of Kenneth R. Peres, PhD on behalf of CWA/IBEW, Verizon New England et al; RE: Request for Approval of Affiliated Interest Transaction and Transfer of Assets of Verizon's Property and Customer Relations to be Merged with and into Fairpoint Communications, Inc., Docket No. DT 07-011, Aug. 1, 2007; Before the Maine Public Utilities Commission, Direct Testimony of Kenneth R. Peres, PhD on behalf of CWA/IBEW, Joint Petition of Verizon New England d/b/a Verizon Vermont, Certain Affiliates Thereof, and Fairpoint Communications Inc. for approval of an

and other interested parties easy access to the ARMIS data. Within a matter of minutes, users can query the database by reporting company, holding company, state, year, and type of customer to get answers to questions regarding customer complaints, repair intervals, trouble reporting, and other important information. The Commission should be commended for providing the public with such an excellent and accessible interface to access the ARMIS information.²⁴

AT&T argues that because the Commission collects other service quality information, such as reports on interstate service quality adopted as conditions of mergers as well as outage reports, the FCC no longer needs to collect the data in the ARMIS reports.²⁵ But neither of those data collection programs provides detailed state-by-state, operating company-specific data on customer complaints, repair intervals, trouble reports and other key customer-impacting service measures. They are simply not a substitute for the ARMIS data.

The Commission's service outage rules require that all carriers file reports with the Commission. AT&T cites this as an important improvement over the ARMIS system, which only requires service quality filing by price cap LECs. NARUC and the FCC have both concluded that service quality reporting would be more meaningful if all carriers, including CLECs, cable,

asset transfer, acquisition of control by merger and associated transactions, Docket No. 2007-67, July 13, 2007.

VoIP carriers, and wireless were required to file service quality reports. As the FCC wrote, citing a NARUC service quality white paper: “We believe that if consumers had access to service quality and data from all carriers providing local exchange service in their area, they would be in a better position to make an informed choice between, or among, carriers.” CWA agrees.²⁶

In summary, CWA urges the Commission to reject AT&T’s petition to forbear from ARMIS service quality reporting requirements. The economic theory of competition as well as the reality of deteriorating service underscores the continuing importance of such information provided to the Commission and, thus, the public. The primary rationale for the “relaxation” of service quality reporting requirements rests on the erroneous belief that the “invisible” hand of competition will force companies to improve service quality. But competition cannot protect customers from a lack of adequate information.

Consumers continue to need objective data to obtain a full picture of the level of service quality actually delivered by different carriers.

Moreover, markets can only function efficiently when comprehensive information is readily available to consumers. When this occurs, consumers are able to maximize their utility because they are able to make rational, fully informed decisions. However, when consumers are not fully informed they can and will make less than optimal decisions. In these cases, markets will not

²⁴ AT&T ignores the Commission efforts to make the database accessible to the public when it incorrectly claims that consumers would have “to wade through technical ARMIS reports.” AT&T Petition, 11.

²⁵ AT&T Petition, 12-13.

function efficiently. Granting AT&T's Petition would reduce the information available to consumers and inhibit the ability of consumers to maximize their utility. In such instances, consumers could make less than optimal decisions causing imperfections in the market. This, in turn, will send false signals to carriers about consumer decisions and their concerns about service quality.

Telecommunications act as the lifeline between the home, the office, the home-office and the outside world. If selected companies opt to provide inadequate service quality, public safety goals such as ensuring access to enhanced emergency service and continuing emergency access may be jeopardized. Public safety agencies rely upon the public switched network and even upon basic exchange service to provide public safety services. Conversely, consumers rely on properly working phones to contact public safety answering points. The public collection of service quality information will help assure the timely provision and repair and the high level of service reliability – by all providers – that is needed to promote public safety.

There are few, if any, non-regulatory incentives for carriers – whether in competitive or non-competitive markets - to supply service quality information to the public. The provision of such information at the state level is uneven: some states collect and release such data, other states collect and do not release the data and other states do

²⁶ ARMIS 43-05 and 43-06 NPRM, 23.

not even regulate service quality. In all cases, the FCC is the only national source for service quality information. Consumers and other interested parties – including CWA – depend upon the FCC data to inform themselves and the public at large about the actual level of service quality delivered to consumers. This information is needed to understand the condition and trend of service quality within a particular carrier and to enable comparisons between carriers. CWA strongly urges the FCC to reject AT&T's Petition.

Respectfully Submitted,

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